

EXHIBIT 3

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

IN RE VERIFONE HOLDINGS, INC.
SECURITIES LITIGATION

Master File No.
C 07-6140 MHP

CLASS ACTION

**DECLARATION OF THE PHOENIX
INSURANCE COMPANY, LTD.
IN RESPONSE TO THE COURT'S
ORDER DATED MAY 14, 2008 RE:
APPOINTMENT OF LEAD COUNSEL**

Document Relates To:

All Actions

COURTROOM: 14
JUDGE: Hon. Marilyn Hall Patel

DECLARATION OF THE PHOENIX INSURANCE COMPANY, LTD. IN RESPONSE TO THE COURT'S ORDER
DATED MAY 14, 2008 RE: APPOINTMENT OF LEAD COUNSEL
Master File No. C 07-6140 MHP

1
2 As a duly authorized representative of the Israeli Institutional Investor Group, Eitan Levi,
3 pursuant to 28 U.S.C. § 1746, declares as follows:

4 1. I respectfully submit this Declaration as ordered by the Honorable Marilyn Hall
5 Patel on May 14, 2008 in support of the motion of the Israeli Institutional Investor Group,
6 comprised of The Phoenix Insurance Company, Ltd., Prisma Provident Funds, Ltd., Prisma
7 Mutual Funds, Ltd., Harel Insurance Company, and Harel Pia Mutual Funds, for appointment as
8 Lead Plaintiff and approval of its selection of Lead and Liaison Counsel.

9 2. I, Eitan Levi, am the Chief Investment Officer for The Phoenix Insurance
10 Company, Ltd. ("The Phoenix"), a wholly owned subsidiary of The Phoenix Holding Ltd. I am
11 duly authorized to execute this Declaration on behalf of The Phoenix.

12 3. I respectfully submit the following information in regard to the acquisition of
13 Lipman shares by The Phoenix Insurance Company, Ltd.:

The Phoenix held the following number of Lipman shares immediately before consummation of the merger on November 1, 2006:	160,747
The Phoenix held the following number of Lipman shares immediately after the consummation of the merger on November 1, 2006:	0
The Phoenix converted the following number of shares of Lipman to Verifone shares as part of the merger:	160,747
The Phoenix purchased and sold Lipman shares on	the Tel Aviv Stock Exchange

1
2 4. I respectfully submit the following information in regard to the transactions in
3 Verifone conducted by The Phoenix Insurance Company, Ltd.:
4

5 Between August 30, 2006 and December 3, 2007 The Phoenix 6 Purchased the following number of original Verifone shares – 7 not including Verifone shares gained as a result of the merger 8 with Lipman:	277,408
9 Between August 30, 2006 and December 3, 2007 The Phoenix 10 expended the following amount of total funds in purchasing 11 Verifone shares:	\$11,276,098
12 Between August 30, 2006 and December 3, 2007 The Phoenix 13 sold the following number of Verifone shares:	187,120
14 Between August 30, 2006 and December 3, 2007 The Phoenix 15 received the following amount of total funds from selling the 16 original Verifone shares:	\$8,150,841.33
17 As of December 3, 2007 The Phoenix retained the following 18 number of original Verifone shares:	90,288
19 The Phoenix paid the following amount for the shares retained as 20 of December 3, 2007	\$3,422,134.86
21 The Phoenix incurred the following loss due to shares retained as 22 of December 3, 2007	(\$1,632,626.70)

23
24 5. All of the shares referenced above were held by The Phoenix Insurance Company
25 directly or by funds or accounts through which, as defined in paragraphs 6 through 17 below,
26
27
28

1 The Phoenix Insurance Company (or in certain isolated instances a Phoenix group affiliated
2 entity) had exclusive authority to vote, buy, and sell securities and to bring legal action.¹

3 6. Phoenix National Fund 18 (The Phoenix Account # 10-800-21423161) was the
4 owner – the actual holder - of any Lipman and Verifone shares in the Fund. The shares were held
5 in the name of Phoenix National Fund 18, which is managed by The Phoenix on behalf of the
6 participants in the Fund. The Phoenix had authority to vote those shares and the authority to buy
7 or sell those shares.

8 7. Phoenix Workers Fund 18 (The Phoenix account # 12-600-00497986) was the
9 owner – the actual holder - of any Lipman and Verifone shares in the Fund. The shares were held
10 in the name of Phoenix Workers Fund 18, which is managed by The Phoenix on behalf of the
11 participants in the Fund. The Phoenix had authority to vote those shares and the authority to buy
12 or sell those shares.

13 8. Excellence Track - Bonds 2 (stock up to 15%) 1 (The Phoenix account # 12-600-
14 00609075) was the owner – the actual holder - of any Lipman and Verifone shares in the Fund.
15 The shares were held in the name of Excellence Track - Bonds 2 (stock up to 15%) 1, which is
16 managed by The Phoenix on behalf of the participants in the Fund. The Phoenix had authority to
17 vote those shares and the authority to buy or sell those shares.

22 ¹ In the Joint Declaration of the Israeli Institutional Investor Group, filed with this Court on
23 February 25, 2008, I averred in pertinent part that "The Phoenix invests in publicly traded
24 securities through various *funds owned by* The Phoenix.....'[emphasis added]. Docket Entry
25 # 85, Jt. Decl., p.1, paragraph 2. To clarify this assertion, but not in derogation of any other
26 averments I have set forth therein, these funds are The Phoenix funds managed by The
27 Phoenix on behalf of the participants in the Fund. The participants themselves do not have legal
28 title to or authority to vote, buy, or sell the shares of stock in said Funds. Rather, The Phoenix
has the sole authority to vote, buy, or sell any shares in these Funds (except in the two cases in
which The Phoenix has turned over that authority by exclusive agreement to its sister company
The Phoenix Investment and Finances, Ltd., both wholly owned subsidiaries of Phoenix
Holdings, as set forth in paragraph 13 and 14 below).

1 9. Excellence Track - Bonds 3 (stock up to 30%) 1 (The Phoenix account # 12-600-
2 00609083) was the owner – the actual holder - of any Lipman and Verifone shares in the Fund.
3 The shares were held in the name of Excellence Track - Bonds 3 (stock up to 30%) 1, which is
4 managed by The Phoenix on behalf of the participants in the Fund. The Phoenix had authority to
5 vote those shares and the authority to buy or sell those shares.

6 10. Excellence Track - Bonds 4 (stock up to 50%) 1 (The Phoenix account # 12-600-
7 00609091) was the owner – the actual holder - of any Lipman and Verifone shares in the Fund.
8 The shares were held in the name of Excellence Track - Bonds 4 (stock up to 50%) 1, which is
9 managed by The Phoenix on behalf of the participants in the Fund. The Phoenix had authority to
10 vote those shares and the authority to buy or sell those shares.

12 11. Excellence - General 1 (general/stocks up to 100%) 1 (The Phoenix account # 12-
13 600-00609458) was the owner – the actual holder - of any Lipman and Verifone shares in the
14 Fund. The shares were held in the name of Excellence - General 1 (general/stocks up to 100%),
15 which is managed by The Phoenix on behalf of the participants in the Fund. The Phoenix had
16 authority to vote those shares and the authority to buy or sell those shares.

17 12. General Track 1 (The Phoenix account # 12-600-00639462) was the owner – the
18 actual holder - of any Lipman and Verifone shares in the Fund. The shares were held in the name
19 of General Track 1, which is managed by The Phoenix on behalf of the participants in the Fund.
20 The Phoenix had authority to vote those shares and the authority to buy or sell those shares.

22 13. The Phoenix General Study Fund (The Phoenix account # 20-61-00081438) was
23 the owner – the actual holder - of any Lipman and Verifone shares in the Fund. The shares were
24 held in the name of The Phoenix General Study Fund, which is managed by The Phoenix on
25 behalf of the participants in the Fund. The Phoenix Investment and Finances Ltd., wholly owned
26 subsidiary of The Phoenix Holding Ltd., under exclusive agreement with The Phoenix Insurance
27 Company Ltd., had authority to vote those shares and the authority to buy or sell those shares.

1 14. The Phoenix Provident & General Compensation (The Phoenix account # 20-61-
2 00081608) was the owner – the actual holder - of any Lipman and Verifone shares in the Fund.
3 The shares were held in the name of The Phoenix Provident & General Compensation, which is
4 managed by The Phoenix on behalf of the participants in the Fund. The Phoenix Investment and
5 Finances Ltd., wholly owned subsidiary of The Phoenix Holding Ltd., under exclusive
6 agreement with The Phoenix Insurance Company Ltd., had authority to vote those shares and the
7 authority to buy or sell those shares.

8 15. The Phoenix General Fund 18 (The Phoenix account # 26-1-00787728) was the
9 owner – the actual holder - of any Lipman and Verifone shares in the Fund. The shares were
10 held in the name of The Phoenix General Fund 18, which is managed by The Phoenix on behalf
11 of the participants in the Fund. The Phoenix had authority to vote those shares and the authority
12 to buy or sell those shares.

14 16. The Phoenix General Fund 16 (The Phoenix account # 26-1-00787736) was the
15 owner – the actual holder - of any Lipman and Verifone shares in the Fund. The shares were
16 held in the name of The Phoenix General Fund 16, which is managed by The Phoenix on behalf
17 of the participants in the Fund. The Phoenix had authority to vote those shares and the authority
18 to buy or sell those shares.

19 17. The Phoenix International Fund 18 (The Phoenix account # 31-46-00374156)
20 was the owner – the actual holder - of any Lipman and Verifone shares in the Fund. The shares
21 were held in the name of The Phoenix International Fund 18, which is managed by The Phoenix
22 on behalf of the participants in the Fund. The Phoenix had authority to vote those shares and the
23 authority to buy or sell those shares.

1 18. The Phoenix Insurance Company, Ltd. had no information regarding Lipman that
2 was not generally available to the public outside of the State of Israel. Neither The Phoenix, nor
3 any of its officers or directors, had any relationship with Lipman before the merger.

4 I declare under penalty of perjury under the laws of the United States of America that the
5 foregoing is true and correct.

6 June 3, 2008

הצהרה דיפלומטית ליריבת צעירים
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Eitan Levi
The Phoenix Insurance Company